

# Orange County

## Office market snapshot | Q1 2024

The Orange County market displayed some signs of recovery as leasing activities remained firm, reporting over 1.8 msf leased for the second straight quarter, average asking lease rates hold steady with landlords offering concessions in lieu of decreasing rents, and sublease availabilities have decreased for the first time since 2Q 2023.

## (0.4%)

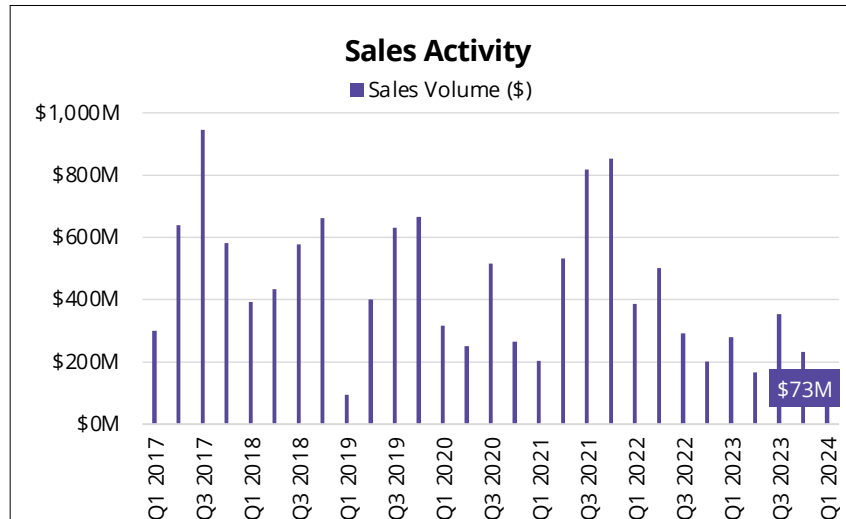
Net absorption fell into the red 1Q 2024, but we can expect tenant movements to improve with leasing activities displaying signs of recovery.

## \$34.24

Asking rental rates continue to hold firm as landlords continue to offer concession packages in lieu of decreasing rents.

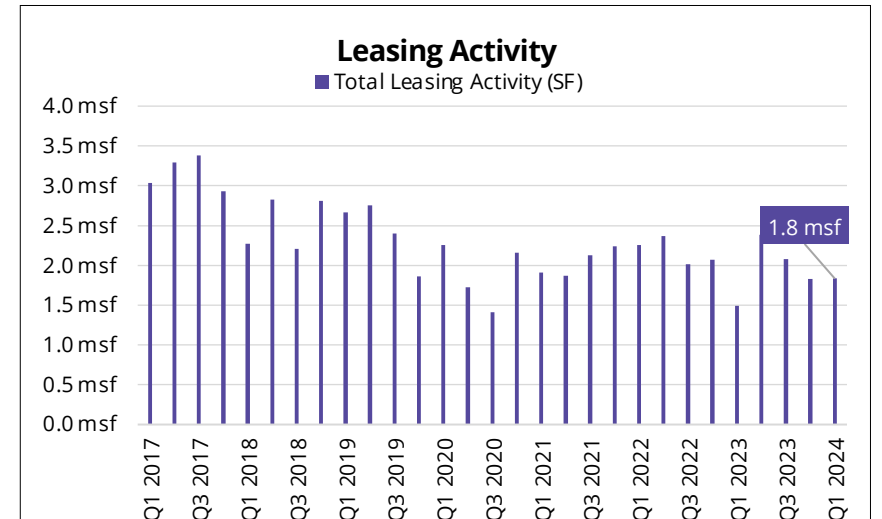
## 3.4%

Sublease availabilities decreased for the first time since 2Q 2023, concluding at 3.4% at the end of the first quarter.



Sales activities continued to cool down once again as many office investors remain pessimistic. Over \$73M in sales volume was reported in 1Q 2024, a 68% decline from the prior quarter.

Note 1: Survey based on office buildings 20,000 SF+  
Note 2:  
Source:

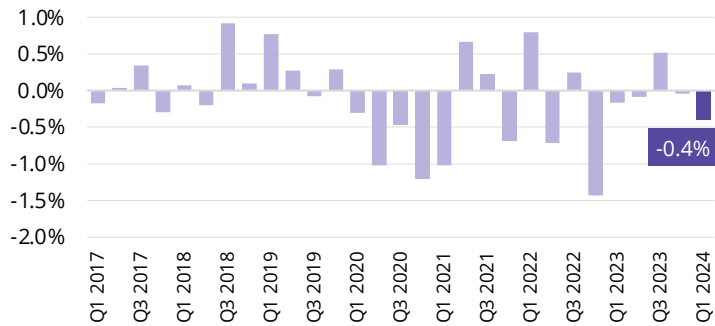


Leasing activity slightly improved from the prior quarter with over 1.8 msf leased and is up 23% when compared to the first quarter of 2023.

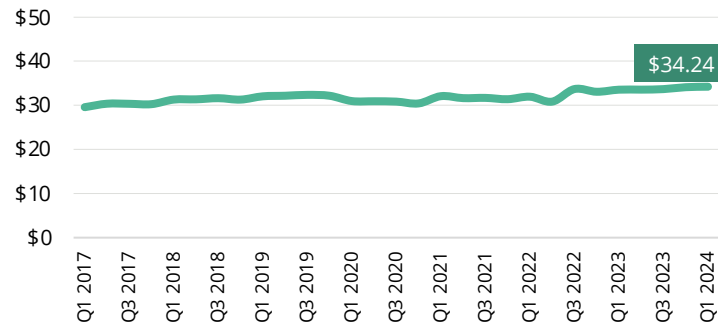
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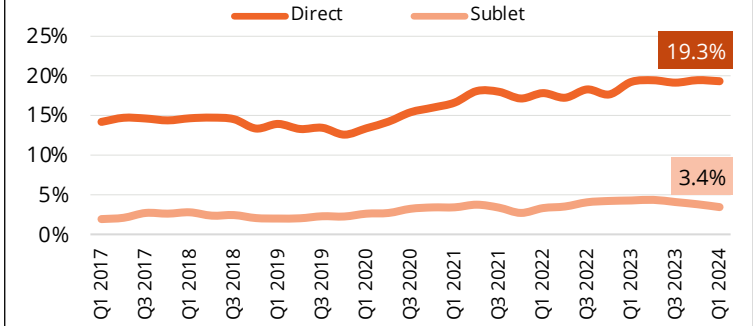
Net absorption as a % of inventory



Direct asking rents (psf/FS)



Availability



Recent leasing activity

| Tenant                      | Address             | Size (sf) | Transaction type | Lease type |
|-----------------------------|---------------------|-----------|------------------|------------|
| Symple Lending              | 3351 Michelson Dr   | 51,629    | Direct           | New        |
| LPA Inc                     | 5301 California Ave | 44,940    | Direct           | Renewal    |
| BSH Home Appliances         | 1901 Main St        | 44,940    | Direct           | Renewal    |
| Consumer Portfolio Services | 19540 Jamboree Rd   | 38,898    | Direct           | Renewal    |

Recent sales activity

| Buyer                  | Address                           | Sale price   | Sale price psf | Seller                      |
|------------------------|-----------------------------------|--------------|----------------|-----------------------------|
| New American Funding   | 1 MacArthur Pl                    | \$31,050,000 | \$149          | Ocean West Capital Partners |
| Core Development Group | 2700 N Main St                    | \$18,600,000 | \$154          | PRES Companies              |
| Brian McMillan         | Orangewood Office Center(3 Bldgs) | \$11,500,000 | \$105          | Providence Capital Group    |
| DTMM Properties        | 2485 McCabe Way                   | \$11,200,000 | \$539          | Bassman Family Trust        |

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## Get in touch

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|                     | Existing inventory sf | Deliveries sf | Under development sf | Direct availability | Sublet availability | Total availability | Net absorption % of inventory | Annual direct asking rent psf FS |
|---------------------|-----------------------|---------------|----------------------|---------------------|---------------------|--------------------|-------------------------------|----------------------------------|
| Airport Area        | 51,128,473            | 0             | 0                    | 21.7%               | 3.5%                | 25.2%              | (0.4%)                        | \$35.15                          |
| Central County      | 16,429,361            | 0             | 0                    | 16.4%               | 2.3%                | 18.7%              | (1.3%)                        | \$26.62                          |
| North County        | 6,732,140             | 0             | 0                    | 14.6%               | 1.9%                | 16.5%              | 0.0%                          | \$26.72                          |
| South County        | 19,306,567            | 0             | 0                    | 18.9%               | 4.8%                | 23.7%              | 1.2%                          | \$32.23                          |
| West County         | 4,299,813             | 0             | 0                    | 11.7%               | 1.0%                | 12.7%              | 0.6%                          | \$29.27                          |
| <b>Market total</b> | <b>97,896,181</b>     | <b>0</b>      | <b>0</b>             | <b>19.3%</b>        | <b>3.4%</b>         | <b>22.7%</b>       | <b>(0.4%)</b>                 | <b>\$34.24</b>                   |

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|---------------------|-----------------------|---------------|----------------------|---------------------|---------------------|--------------------|-------------------------------|----------------------------------|
| Trophy              | 2,304,757             | 0             | 0                    | 11.6%               | 3.9%                | 15.4%              | 2.6%                          | \$43.05                          |
| Class A             | 43,272,570            | 0             | 0                    | 25.3%               | 4.8%                | 30.1%              | (0.4%)                        | \$37.30                          |
| Class B             | 48,327,531            | 0             | 0                    | 15.3%               | 2.4%                | 17.7%              | 0.2%                          | \$32.29                          |
| Class C             | 3,991,323             | 0             | 0                    | 8.4%                | 1.2%                | 9.6%               | (0.6%)                        | \$23.99                          |
| <b>Market total</b> | <b>97,896,181</b>     | <b>0</b>      | <b>0</b>             | <b>19.3%</b>        | <b>3.4%</b>         | <b>22.7%</b>       | <b>(0.4%)</b>                 | <b>\$34.24</b>                   |

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